

Message Text

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62

ACTION ARA-20

INFO OCT-01 EUR-25 NEA-14 ISO-00 CIAE-00 DODE-00 INR-11

NSAE-00 PA-04 RSC-01 USIA-15 PRS-01 SP-03 FEA-02

AEC-11 AID-20 CEA-02 CIEP-03 COME-00 EB-11 FPC-01

H-03 INT-08 L-03 NSC-07 OMB-01 PM-07 SAM-01 SCI-06

SS-20 STR-08 TRSE-00 FRB-03 DRC-01 /213 W

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R 301130Z SEP 74

FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC 527

INFO AMEMBASSY AMMAN

AMEMBASSY CARACAS

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY VIENNA

UNCLAS BEIRUT 11812

EO 11652: N/A

TAGS: ENRG, OPEC, PINR, VE

SUBJECT: VENEZUELAN AMBASSADOR CRITICIZES US

SUMMARY: IN PRESS INTERVIEWS THIS WEEKEND, NEW VENEZUELAN AMBASSADOR-DESIGNATE SHARPLY CRITICIZED RECENT US SPEECHES ON ENERGY SITUATION AS UNWARRANTED "PROVOCATION DESIGNED TO SPLIT OPEC". END SUMMARY

1. PEDRO J. BARRADAS, NEWLY-ARRIVED VENEZUELAN AMBASSADOR-DESIGNATE TO LEBANON, JORDAN AND KUWAIT, SHARPLY CRITICIZED RECENT ENERGY SPEECHES BY PRESIDENT AND SECRETARY IN INTERVIEWS PUBLISHED SEPTEMBER 27 MIDDLE EAST ECONOMIC SURVEY (MEES) AND SEPTEMBER 29 BEIRUT DAILY STAR.

2. MEES QUOTED BARRADAS AS TERMING SPEECHES A "PROVOCATION DESIGNED TO SPLIT OPEC, BUT WHICH WILL UNCLASSIFIED
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IN FACT ONLY SERVE TO REINFORCE OPEC SOLIDARITY
US STRATEGY IS CLEAR, NAMELY TO PIN BLAME FOR CURRENT

WORLD-WIDE INFLATION ON OIL PRODUCERS - WHICH IS SIMPLY NOT THE CASE. ROOT CAUSE OF THIS INFLATION, IN OUR VIEW, LIES IN EXPANSION OF US ECONOMIC INTERESTS THROUGHOUT WORLD TOGETHER WITH SPIRALLING INCREASES IN PRICES OF MANUFACTURED GOODS AND OTHER COMMODITIES - NOT JUST OIL ALONE RISE IN ENERGY COSTS HAS BEEN RESPONSIBLE FOR ONLY VERY MODEST CONTRIBUTION TO RISE IN PRICES OF MANUFACTURERS IN US." HE SAID US DEVALUATIONS RESPONSIBLE FOR CHAOTIC WORLD FINANCIAL SITUATION, CONTINUING: "RIGGING PRICES - WHICH WAS TERM THOSE US LEADERS USED - IS SYNONYMOUS WITH ECONOMIC EXPLOITATION, WHICH IS A CHARACTERISTIC OF THE US AND NOT OF OPEC." ASSERTING THAT OPEC WILL REMAIN UNITED, HE SAID OIL PRODUCERS HAVE GIVEN INDUSTRIALIZED CONSUMERS "A CHANCE TO MODERATE INCREASE IN PRICES THEIR GOODS BY FREEZING OIL PRICES FOR THE PAST YEAR, BUT THEY DID NOT RESPOND. SOMETIME NEXT YEAR WE WILL HAVE TO TAKE DEFINITE STEPS TO COMPENSATE IN OIL PRICE LEVELS FOR CONTINUING INFLATIONARY SPIRAL."

3. IN ADDITION GENERALLY REITERATING ABOVE POINTS ON US RESPONSIBILITY FOR SITUATION, DAILY STAR VERSION QUOTED BARRADAS AS SAYING VENEZUELA HAS PROTESTED US THREATS OF ECONOMIC REPRISALS AGAINST OIL PRODUCERS. HE SAID ANY CONSUMER PRICE INCREASES FROM MOST RECENT OPEC DECISIONS ARE FAULT OF COMPANIES, NOT OPEC, ADDING THAT VENEZUELA PLANS TO NATIONALIZE IRON ORE INDUSTRY THIS YEAR AND OIL INDUSTRY NEXT YEAR.

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TAGS: ENRG, PINR, VE, OPEC, (BARRADAS, PEDRO J)
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